

## STATE OF SOUTH CAROLINA

221874

(Caption of Case)  
APPLICATION OF  
LIFECOMMEX TELECOM, LLC  
FOR CERTIFICATION AS AN ELIGIBLE  
TELECOMMUNICATIONS CARRIER

BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 2009 - 414 - C

(Please type or print)

Submitted by: Charlotte Lacey

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## DOCKETING INFORMATION (Check all that apply)

- ☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously
- ☐ Other: \_\_\_\_\_

## INDUSTRY (Check one)

## NATURE OF ACTION (Check all that apply)

- |  |  |  |   |
|--|--|--|---|
| <input type="checkbox"/> Electric                    | <input type="checkbox"/> Affidavit                 | <input type="checkbox"/> Letter                            | <input type="checkbox"/> Request                  |
| <input type="checkbox"/> Electric/Gas                | <input type="checkbox"/> Agreement                 | <input type="checkbox"/> Memorandum                        | <input type="checkbox"/> Request for Certificatio |
| <input type="checkbox"/> Electric/Telecommunications | <input type="checkbox"/> Answer                    | <input type="checkbox"/> Motion                            | <input type="checkbox"/> Request for Investigatio |
| <input type="checkbox"/> Electric/Water              | <input type="checkbox"/> Appellate Review          | <input type="checkbox"/> Objection                         | <input type="checkbox"/> Resale Agreement         |
| <input type="checkbox"/> Electric/Water/Telecom.     | <input type="checkbox"/> Application               | <input type="checkbox"/> Petition                          | <input type="checkbox"/> Resale Amendment         |
| <input type="checkbox"/> Electric/Water/Sewer        | <input type="checkbox"/> Brief                     | <input type="checkbox"/> Petition for Reconsideration      | <input type="checkbox"/> Reservation Letter       |
| <input type="checkbox"/> Gas                         | <input type="checkbox"/> Certificate               | <input type="checkbox"/> Petition for Rulemaking           | <input type="checkbox"/> Response                 |
| <input type="checkbox"/> Railroad                    | <input type="checkbox"/> Comments                  | <input type="checkbox"/> Petition for Rule to Show Cause   | <input type="checkbox"/> Response to Discovery    |
| <input type="checkbox"/> Sewer                       | <input type="checkbox"/> Complaint                 | <input type="checkbox"/> Petition to Intervene             | <input type="checkbox"/> Return to Petition       |
| <input type="checkbox"/> Telecommunications          | <input type="checkbox"/> Consent Order             | <input type="checkbox"/> Petition to Intervene Out of Time | <input type="checkbox"/> Stipulation              |
| <input type="checkbox"/> Transportation              | <input type="checkbox"/> Discovery                 | <input checked="" type="checkbox"/> Prefiled Testimony     | <input type="checkbox"/> Subpoena                 |
| <input type="checkbox"/> Water                       | <input type="checkbox"/> Exhibit                   | <input type="checkbox"/> Promotion                         | <input type="checkbox"/> Tariff                   |
| <input type="checkbox"/> Water/Sewer                 | <input type="checkbox"/> Expedited Consideration   | <input type="checkbox"/> Proposed Order                    | <input type="checkbox"/> Other:                   |
| <input type="checkbox"/> Administrative Matter       | <input type="checkbox"/> Interconnection Agreement | <input type="checkbox"/> Protest                           |   |
| <input type="checkbox"/> Other:                      | <input type="checkbox"/> Interconnection Amendment | <input type="checkbox"/> Publisher's Affidavit             |   |
|  | <input type="checkbox"/> Late-Filed Exhibit        | <input type="checkbox"/> Report                            |   |

RECEIVED DATE: CL  
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February 8, 2010

**VIA OVERNIGHT DELIVERY**

Mr. Charles Terreni  
Chief Clerk of the Commission  
South Carolina Public Service Commission  
101 Executive Center Drive, Suite 100  
Columbia, South Carolina 29210  
(803) 896-5100

Re: LifeConnex Telecom, LLC  
Docket No. 2009-414-C

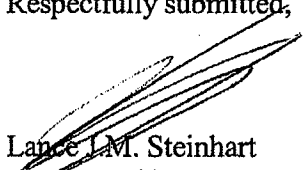
Dear Mr. Terreni:

Enclosed please find for filing an original and twenty-five (25) copies of the company's pre-filed testimony.

I have enclosed an extra copy of this letter to be date-stamped and returned to me in the self-addressed, postage prepaid envelope I have provided.

If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me.

Respectfully submitted,



Lance J.M. Steinhart  
Attorney LifeConnex Telecom, LLC

cc:

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**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2009-414-C**

<b>IN RE:    APPLICATION OF</b>	)	
<b>             LIFECONNEX TELECOM, LLC</b>	)	
<b>             FOR CERTIFICATION AS AN ELIGIBLE</b>	)	<b>DIRECT TESTIMONY</b>
<b>             TELECOMMUNICATIONS CARRIER</b>	)	<b>OF PAUL WATSON</b>
	)	

**I. Introduction**

1    **Q:    PLEASE STATE YOUR NAME, YOUR POSITION WITH LIFECONNEX**  
2            **TELECOM, LLC AND YOUR BUSINESS ADDRESS.**

3    **A:**    My name is Paul Watson. My title is Chief Operating Officer of LifeConnex  
4            Telecom, LLC (hereinafter sometimes referred to as “LifeConnex”). My  
5            business address is 6905 North Wickham Road, Suite 403, Melbourne, Florida  
6            32940.

7    **Q:    PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR BACKGROUND**  
8            **AND EXPERIENCE.**

9    **A:**    My background and experience is attached hereto as Exhibit A.

1

2 **Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

3 **A:** The purpose of my testimony is to demonstrate that LifeConnex meets the state  
4 and federal requirements for designation as an Eligible Telecommunications  
5 Carrier (“ETC”) in the State of South Carolina in the designated areas of  
6 BellSouth Telecommunications/AT&T South Carolina service territory (the  
7 “Designated Service Area”). A List of Wire Centers is attached as Exhibit 1 to  
8 our application filed in this Docket.

9 **Q: DOES LIFECONNEX CURRENTLY PROVIDE**

10 **TELECOMMUNICATIONS SERVICE IN SOUTH CAROLINA?**

11 **A:** Yes. LifeConnex was granted a Certificate of Public Convenience and Necessity  
12 to Provide Competitive Resold and Facilities-Based Local Exchange  
13 Telecommunications Services within the State of South Carolina Pursuant to  
14 Order No. 2009-473 issued in Docket No. 2008-428-C on July 14, 2009.  
15 LifeConnex is also a common carrier as that term is defined in 47 U.S.C.  
16 §153(10), and LifeConnex meets the requirements of 47 U.S.C. § 214(e)(1).

17 **Q: DOES LIFECONNEX CURRENTLY CONTRIBUTE TO THE FUNDING**  
18 **FOR UNIVERSAL SERVICE?**

19 **A:** Yes. Federal regulations require carriers such as LifeConnex to contribute a  
20 portion of their revenues to the funding of federal universal service.

1

2   **Q:    IS THE COMPANY PRESENTLY ABLE TO DRAW FROM FEDERAL**  
3           **UNIVERSAL SERVICE FUNDS FOR THE PROVISION OF THE**  
4           **SUPPORTED SERVICES IN SOUTH CAROLINA?**

5   **A:**    No. Until it is designated as an ETC for those areas it serves in South Carolina,  
6           LifeConnex is not able to receive any federal universal service funds to support its  
7           provision of universal services to South Carolina consumers.

8   **Q:    BY OBTAINING ETC DESIGNATION, WILL LIFECONNEX IMPROVE**  
9           **THE QUALITY OF BASIC SERVICE PROVIDED TO SOUTH**  
10          **CAROLINA RESIDENTS?**

11   **A:**    Yes. As required, if LifeConnex receives ETC designation, any universal service  
12          funding it receives will be used only to support the provision, upgrading and  
13          maintenance of LifeConnex's residential network where LifeConnex is designated  
14          as an ETC in South Carolina. As a result, LifeConnex will be able to improve the  
15          quality of basic service by increasing the availability of this unique service to  
16          customers who reside in areas of the state where the service is currently  
17          unavailable and, due to credit and deposit requirements, may not be able to obtain  
18          the safety and convenience of telephone service from traditional providers.

19

20   **Q:    WILL LIFECONNEX'S CUSTOMERS EXPERIENCE OTHER BENEFITS**  
21          **AS A RESULT OF LIFECONNEX'S DESIGNATION AS AN ETC?**

22   **A:**    Yes. Since LifeConnex is seeking only low income support, and Lifeline is  
23          designed to reduce the monthly cost of telecommunications services for eligible

1 consumers, and is distributed on a per-customer basis and is directly reflected in  
2 the price that the eligible customer pays, it is assured that all support received by  
3 the carrier is used to provide Lifeline services to consumers, thus promoting  
4 Lifeline and the availability of telephone service to low income users, which is  
5 clearly in the public interest.

6 **Q: IS A COMPETITIVE LOCAL EXCHANGE CARRIER LIKE**  
7 **LIFECOMMUNICATIONS ELIGIBLE FOR FEDERAL UNIVERSAL SERVICE**  
8 **SUPPORT?**

9 **A:** Yes. Both the 1996 Telecommunications Act ("TA'96") and the FCC's rules  
10 establish the directives for the Commission to follow in making an ETC  
11 designation. Section 214(e) of TA'96 specifically provides that any common  
12 carrier, including a competitive local exchange carrier such as LifeComm, may  
13 be designated as an ETC for federal universal service support purposes, provided  
14 that carrier meets the specific criteria set forth in Section 214(e)(1) of the Act,  
15 which LifeComm does.

16 **Q: WHAT ARE THE REQUIREMENTS FOR OBTAINING ETC**  
17 **DESIGNATION?**

18 **A:** The eligibility requirements were recently supplemented by the FCC. The initial  
19 requirements established by §214(e)(1) of the Act are still in place, and state:  
20 A common carrier designated as an eligible telecommunications carrier under  
21 paragraph (2) or (3) shall be eligible to receive universal service support in  
22 accordance with section 254 and shall, throughout the service area for which the  
23 designation is received:

1  
2 (A) Offer the services that are supported by Federal universal service support  
3 mechanisms under Section 254(c), either using its own facilities or a combination  
4 of its own facilities and resale of another carrier's services (including the services  
5 offered by another eligible telecommunications carrier); and  
6

7 (B) Advertise the availability of such services and the charges therefore using  
8 media of general distribution.

9 **Q: IS LIFECONNEX REQUESTING DESIGNATION IN THIS**  
10 **PROCEEDING FOR THE STUDY AREA OF ANY RURAL LEC IN**  
11 **SOUTH CAROLINA?**

12 **A:** No. LifeConnex's Petition requests designation only in the wire centers of  
13 BellSouth/AT&T which have been classified as non-rural.

14 **Q: DOES LIFECONNEX CURRENTLY HAVE INTERCONNECTION**  
15 **AGREEMENT WITH BELL SOUTH/AT&T?**

16 **A:** Yes.

17 **Q: IS IT YOUR UNDERSTANDING THAT LIFECONNEX IS ENTITLED TO**  
18 **BE DESIGNATED AS AN ETC IF IT DEMONSTRATES THAT IT IS**  
19 **CAPABLE OF MEETING ALL OF THE OBLIGATIONS IMPOSED BY**  
20 **SECTION 214(e) OF TA'96 AS WELL AS THE NEW REQUIREMENTS**  
21 **ESTABLISHED BY THE FCC'S MARCH, 2005 ORDER?**

22 **A:** Yes. LifeConnex has filed an Affidavit in support of its requirements for  
23 designation as an Eligible Telecommunications Carrier as Exhibit 4 to our  
24 application filed in this Docket.

1   **Q:    THE FIRST CRITERION FOR ETC DESIGNATION UNDER SECTION**  
2           **214(e)(1) IS COMMON CARRIER STATUS. IS LIFECONNEX A**  
3           **COMMON CARRIER?**

4   **A:**    Yes. LifeConnex is a "common carrier" for purposes of obtaining ETC  
5           designation under 47 U.S.C. § 214(e)(1). A common carrier is generally defined  
6           in 47 U.S.C. §153(10) as "any person engaged as a common carrier for-hire" in  
7           interstate or foreign communications utilizing either wire or radio technology,  
8           except for radio broadcasters.

9   **Q:    THE SECOND REQUIREMENT IS THAT LIFECONNEX OFFER THE**  
10          **"SUPPORTED SERVICES." WHAT ARE THE SUPPORTED SERVICES**  
11          **THAT MUST BE OFFERED?**

12   **A:**    The FCC has identified (at 47 C.F.R. §54.101(a)) the following services and  
13          functionalities as the core services to be offered by an ETC and supported by  
14          federal universal service support mechanisms:

- 15          1. voice-grade access to the public switched network;
- 16          2. local usage;
- 17          3. dual tone multi-frequency signaling or its functional equivalent;
- 18          4. single-party service or its functional equivalent;
- 19          5. access to emergency services;
- 20          6. access to operator services;
- 21          7. access to interexchange services;
- 22          8. access to directory assistance;
- 23          9. toll limitation for qualifying low-income consumers



1   **Q:   CAN LIFECONNEX CURRENTLY PROVIDE THE SUPPORTED**  
2       **SERVICES SET FORTH ABOVE USING ITS NETWORK THAT IS IN**  
3       **PLACE TODAY?**

4   **A:**   Yes. LifeConnex's present network can provide all of the supported services to  
5       consumers in South Carolina. LifeConnex recognizes its obligation to offer these  
6       services including the "toll limitation for qualifying low-income consumers"  
7       service that is linked to the federal "Lifeline" program and targeted at meeting the  
8       needs of low-income consumers. LifeConnex, however, cannot participate in the  
9       federal Lifeline program until it receives its ETC designation. Once LifeConnex  
10      receives ETC designation it will provide toll limitation as required by the FCC's  
11      rules.

12   **Q:   COULD YOU EXPLAIN EACH OF THE SUPPORTED SERVICES AND**  
13       **HOW LIFECONNEX PROVIDES, OR WILL PROVIDE THESE**  
14       **SERVICES?**

15   **A:**   Yes. LifeConnex presently provides or plans to provide each of the supported  
16      services identified by the FCC in 47 C.F.R. § 54.101(a) as follows:

17  
18           a.     *Voice-grade access to the public switched telephone network.* The  
19           FCC has concluded that voice grade service means the ability to make and  
20           receive phone calls, within a specified bandwidth and frequency range.  
21           LifeConnex meets this requirement by providing voice-grade access to the  
22           public switched telephone network. Through its interconnection  
23           agreements, all customers of LifeConnex are able to make and receive

1 calls on the public switched telephone network within the specified  
2 bandwidth.

3 b. *Local usage.* ETCs must include local usage beyond providing  
4 simple access to the public switched network as a part of a universal  
5 service offering. LifeConnex includes specified quantities of usage in its  
6 rate plans and thereby complies with the requirement. It is important to  
7 note, that currently, there is no specific rule that requires an ETC to  
8 include any particular amount of local usage, although all of LifeConnex'  
9 service offerings include unlimited local calling.

10 c. *Dual-tone, multi-frequency ("DTMF") signaling or its functional*  
11 *equivalent.* DTMF, more commonly known as touch-tone, is a method of  
12 signaling that facilitates the transport of call set-up and detail information.  
13 Through its interconnection agreements, LifeConnex provides DTMF  
14 signaling to its customers, which is the equivalent of that offered by the  
15 incumbent LECs to its customers.

16 d. *Single-party service or its functional equivalent.* LifeConnex  
17 meets the requirement of single-party service by providing a dedicated  
18 message path for the length of all customer calls.

1  
2 e. *Access to emergency services.* The ability to reach a public  
3 emergency service provider by dialing 911 is a requirement in any  
4 universal service offering. LifeConnex currently provides its subscribers  
5 access to 911 emergency service in accord with this requirement, and  
6 consistent with FCC Regulations throughout the service area for which  
7 designation is sought. LifeConnex also provides Enhanced 911 services  
8 including Phase I and Phase II E911 services where requested by local  
9 public safety authorities ready to receive the information and where the  
10 local exchange carrier supports such services.

11 f. *Access to operator services.* Access to operator services is defined  
12 as any automatic or live assistance provided to a consumer to arrange for  
13 billing or completion, or both, of a telephone call. LifeConnex currently  
14 provides access to operator services through a 1-800 calling service.  
15 Customers can also obtain 1+ service through a third party provider to  
16 access such services.

17 g. *Access to directory assistance.* Much like operator services,  
18 LifeConnex currently offers access to directory assistance services through  
19 a 1-800 calling service. Customers can also obtain 1+ service through a  
20 third party provider to access such services.

21 h. *Access to interexchange service.* LifeConnex meets the  
22 requirements of access to interexchange service by providing all of its  
23 customers with the ability to make and receive interexchange calls

1 through 1+800 calling services provided by third party LD carriers.

2 Additionally, customers can obtain 1+ services through a third party  
3 provider, and are able to reach their IXC of choice by dialing the  
4 appropriate access code.

5 i. *Toll limitation for qualifying low-income consumers.* As  
6 previously mentioned, toll limitation for qualifying low-income  
7 consumers is linked to participation in the Lifeline program, which  
8 LifeConnex will participate in and offer upon designation as an ETC. 47  
9 CFR § 54.400(d) defines Toll Limitation” as either toll blocking *or* toll  
10 control for telecommunications carriers that are incapable of providing  
11 both services. At this time, LifeConnex does offer toll control. Per the  
12 requirements of 47 CFR § 54.400(d) LifeConnex will provide eligible  
13 Lifeline subscribers with the ability to subscribe to toll blocking, at no  
14 additional charge, which restricts the dialing of toll billed calls while  
15 permitting local calls, and non-chargeable calls to company numbers such  
16 as repair service, emergency numbers (911) and 800 dialing.

1

2     **Q:    DOES LIFECONNEX OFFER THE ABOVE-REFERENCED SUPPORTED**  
3           **SERVICES VIA ITS OWN FACILITIES OR A COMBINATION OF ITS**  
4           **OWN FACILITIES AND RESALE OF ANOTHER CARRIER’S**  
5           **SERVICES?**

6     **A:**    Depending on the type of service the customer requests and the precise location of  
7           the customer, LifeConnex offers the supported services either through the  
8           purchase of switched port/loop combinations Unbundled Network Elements  
9           (UNEs) or through resale of another carrier’s services. Consistent with the  
10          requirements of 47 CFR. § 201(e), these facilities are physical components of the  
11          telecommunications network that are used in the transmission or routing of the  
12          services for which support is requested. Because these facilities include  
13          unbundled network elements, they meet the FCC’s definition of “own facilities”  
14          established in 47 CFR § 201(f) and thereby make the method by which  
15          LifeConnex provisions the supported services consistent with the FCC’s rules  
16          found at 47 CFR § 54.201(d)(1) through (i).

17    **Q:    WILL LIFECONNEX PROVIDE SUPPORTED UNIVERSAL SERVICES**  
18           **ONCE DESIGNATED AS AN ETC?**

19    **A:**    Yes. LifeConnex will provide all supported universal services once designated as  
20          an ETC.

1

2 **Q: WILL LIFECONNEX PARTICIPATE IN THE LIFELINE AND LINK-UP**  
3 **PROGRAMS IF IT IS DESIGNATED AS AN ETC?**

4 **A:** Yes, as we stated in our Petition, upon designation as an ETC, LifeConnex will  
5 participate in, and offer, LifeLine and Link-Up programs to qualifying low-  
6 income consumers and publicize the availability of Lifeline and Link-Up services  
7 in a manner reasonably designed to reach those likely to qualify for those  
8 services, as required by 47 C.F.R. §§ 54.401-54.417; 54.405(b)& 54.411(d).

9 **Q: A THIRD REQUIREMENT FOR DESIGNATION AS AN ETC IS TO**  
10 **ADVERTISE THE AVAILABILITY OF THE SUPPORTED SERVICES.**  
11 **HOW DOES LIFECONNEX INTEND TO ADVERTISE THE**  
12 **AVAILABILITY OF THE SUPPORTED SERVICES?**

13 **A:** LifeConnex advertises the availability of the supported services and the  
14 corresponding charges in a manner that informs the general public within the  
15 designated service area of both the services available and the corresponding  
16 charges. LifeConnex advertises its services through several different media of  
17 general distribution including (but not limited to) marketing at targeted retail  
18 locations as well as advertisements via television, radio, newspapers and various  
19 free publications target at low-income consumers such as the “Dollar Saver”. In  
20 addition, LifeConnex will comply with the requirements of 103-690(C) of the  
21 Commissions rules, which states that “carriers seeking certification in areas not  
22 eligible for High Cost Support from the USF, but seeking ETC designation for the  
23 purpose of participation in the Lifeline and Link Up programs...shall submit a

1 two-year plan that describes the carrier's plans for advertising and outreach  
2 programs for identifying, qualifying, and enrolling eligible participants in the  
3 Lifeline and link Up programs".

4 **Q: IS LIFECONNEX ABLE TO SATISFY EACH OF THE ADDITIONAL**  
5 **REQUIREMENTS ESTABLISHED IN THE FCC'S MARCH 17, 2005**  
6 **ORDER?**

7 **A:** Yes. LifeConnex will provide each of the supported services identified in 47  
8 C.F.R. §54.101 as follows:

9 a. LifeConnex will commit to provide service throughout its proposed  
10 designated service area to all customers making a reasonable request for service.  
11 LifeConnex certifies that it will (a) provide service on a timely basis to requesting  
12 customers within the applicant's service area where the applicant's network  
13 already passes the potential customer's premises; and (b) provide service within a  
14 reasonable period of time, if the potential customer is within LifeConnex's  
15 licensed service area but outside its existing network coverage, if service can be  
16 provided at reasonable cost by reselling services from another carrier's facilities  
17 to provide service.

18 b. Under FCC guidelines, an ETC Applicant must submit a five-year plan  
19 that describes with specificity proposed improvements or upgrades to the  
20 applicant's network on a wire center-by-wire center basis throughout its proposed  
21 Designated Service Area. The only circumstance warranting deviation from this  
22 requirement is where an applicant's requested ETC serving territory would qualify  
23 it to receive no "high cost" USF support, but only "low income" USF support.

1 Because LifeConnex seeks ETC designation solely for purposes of reimbursement  
2 for provision of subsidized Lifeline and Link-Up services to eligible customers,  
3 submission of a Five-Year Network Improvement Plan is not required at this time.

4 In lieu of this requirement, LifeConnex will fully comply with the requirements  
5 of 103-690(C) and has submitted LifeConnex's two-year Lifeline and Link Up  
6 advertising plan in its Application for Certification as an Eligible  
7 Telecommunications Carrier. As Lifeline support is designed to reduce the  
8 monthly cost of telecommunications services for eligible consumers, and is  
9 distributed on a per-customer basis and is directly reflected in the price that the  
10 eligible customer pays, it is assured that all support received by the carrier is used  
11 to provide Lifeline services to consumers, thus promoting Lifeline and the  
12 availability of telephone service to low income users, which is clearly in the  
13 public interest.

14  
15 c. Providing service to its customers through resale of another carrier's  
16 services or the use of switched port/loop combination UNEs, leased from the  
17 ILECs, allows LifeConnex to provide to its customers the same ability to remain  
18 functional in emergency situations as currently provided by the ILECs to their  
19 own customers (including access to a reasonable amount of back-up power to  
20 ensure functionality without an external power source, rerouting of traffic around  
21 damaged facilities, and the capability of managing traffic spikes resulting from  
22 emergency situations). Further, by nature of the fact that these services are  
23 implicitly included in the rates that LifeConnex pays to the ILECs, these



1 capabilities are also available to LifeConnex's customers.

2 d. LifeConnex will satisfy applicable consumer protection and service quality  
3 standards. Under FCC guidelines, an ETC Applicant must demonstrate that it will  
4 satisfy applicable consumer protection and service quality standards. 47 CFR  
5 §54.202(a)(3); FCC ETC Order at Para 28. Applicant will satisfy all such  
6 standards. As part of its certification requirements for providing local exchange  
7 services, Applicant must abide by the service quality and consumer protection  
8 rules. In addition, Applicant commits to reporting information on consumer  
9 complaints per 1,000 lines on an annual basis consistent with the FCC's ETC  
10 Order. Applicant in general commits to satisfying all such applicable state and  
11 federal requirements related to consumer protection and service quality standards.

12 e. LifeConnex's offering includes a local usage component with unlimited  
13 local calling similar to the ILECs' basic local service offerings. The amount of  
14 credits that will be provided to eligible low participating in the lifeline and link-  
15 up program, is set forth in proposed tariff revisions, which was attached as  
16 Exhibit 2 to our Application in this Docket.

1  
2 f. LifeConnex acknowledges that the FCC may require it to provide equal  
3 access to long-distance carriers in the event that no other eligible  
4 telecommunications carrier is providing equal access within the service area.

5 g. As relevant to the Commission's public interest inquiry, LifeConnex's  
6 presence will undeniably include a benefit of increased customer choice, as  
7 LifeConnex's service offering is unique, and serves a specific sector of the public  
8 who might well not otherwise have wire line telephone service.

9 h. LifeConnex does not seek designation below the study area level of a rural  
10 telephone company, and therefore, no "cream skimming" analysis is required.  
11 Likewise, LifeConnex does not seek designation as an ETC for any part of tribal  
12 lands. Therefore, the public notice requirements established by the FCC for tribal  
13 lands do not apply.

14 **Q: IN WHAT SERVICE AREAS IS LIFECONNEX SEEKING**  
15 **DESIGNATION AS AN ETC?**

16 **A:** Pursuant to Section 54.207 of the FCC's rules, a "service area" is a "geographic  
17 area established by a state commission for the purpose of determining universal  
18 service obligations and support mechanisms." 47 C.F.R. § 54.207(a). For service  
19 areas served by non-rural ILECs such as BellSouth/AT&T, there are no  
20 restrictions on how a Commission defines the "service area" for purposes of  
21 designating a competitive ETC. LifeConnex proposes a service area consisting of  
22 each of the AT&T South Carolina wire centers in South Carolina which are set  
23 forth in Exhibit 1 to our Application in this Docket.

1

2 **Q: DOES LIFECONNEX PROVIDE TELECOMMUNICATIONS SERVICE**  
3 **THROUGHOUT THE NON-RURAL ILEC SERVICE AREAS FOR**  
4 **WHICH IT SEEKS ETC DESIGNATION?**

5 **A:** Yes.

6 **Q: BEFORE DESIGNATING LIFECONNEX AS AN ETC, IS THE**  
7 **COMMISSION REQUIRED TO FIND THAT THE DESIGNATION IS IN**  
8 **THE PUBLIC INTEREST?**

9 **A:** Yes.

10 **Q: HOW, AND IN WHAT TERMS, WILL LIFECONNEX'S PRESENCE AS**  
11 **AN ETC IN SOUTH CAROLINA AFFECT THE MARKET AS A WHOLE**  
12 **AND THE PUBLIC INTEREST GENERALLY?**

13 **A:** A grant of LifeConnex's application will serve the public interest and the market  
14 as a whole by promoting additional deployment of LifeConnex's unique local  
15 service. It is important to note that most of LifeConnex's customers do not meet  
16 the traditional "creditworthiness" test of ILECs and CLECs, and therefore, many  
17 are unable to obtain wire line local exchange service. LifeConnex's designation  
18 as an ETC will bring consumers the benefits of its unique service to a specific  
19 segment of the market.  
20 Furthermore, A central purpose of the Telecommunications Act of 1996 was to  
21 "promote competition and reduce regulation ... [thereby securing] lower prices  
22 and higher quality services ... and encourage the rapid deployment of new

telecommunications technologies.”<sup>1</sup> Designation of LifeConnex as an ETC would further these goals. Granting ETC status to LifeConnex would allow the Company to obtain federal universal service support, which it will use to offer innovative telecommunications services at competitive prices to non-rural consumers in the Designated Service Area.

**Q: IF LIFECONNEX’S PETITION IS GRANTED, WILL THERE BE ANY FINANCIAL IMPACT ON THE UNIVERSAL SERVICE FUND OR THE FEDERAL UNIVERSAL SERVICE FUND SURCHARGE THAT SOUTH CAROLINA END USERS PAY?**

**A:** No. In fact the amount of support available to an eligible subscriber is exactly the same whether the support is given through a company such as LifeConnex or the Incumbent LEC operating in the same service area. As such designation of LifeConnex will not create any financial impact on the Universal Service Fund, the Federal Universal Surcharge that South Carolina end users pay, or an increase to the State or its political subdivisions.

**Q: HAS LIFECONNEX BEEN GRANTED ETC STATUS BY ANY STATE COMMISSIONS?**

**A:** Yes, LifeConnex has been designated as ETC in the States of LifeConnex was designated as an ETC in the States of Alabama, Kansas, Kentucky and North Carolina.

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<sup>1</sup> The Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56, 56 (1996).

1

2   **Q:   HAS LIFECONNEX BEEN AUDITED BY USAC, OR ANY OTHER**  
3       **ENTITY, PERTAINING TO LIFELINE AND LINK-UP?**

4   **A:**   No.

5   **Q:   DOES LIFECONNEX AGREE TO COMPLY WITH ALL COMMISSION**  
6       **RULES AND REGULATIONS REGARDING ETC, INCLUDING THOSE**  
7       **SET FORTH IN DOCKET NO. 2006-37-C?**

8   **A:**   Yes. Applicant hereby asserts its willingness and ability to comply with all the  
9       rules and regulations that the Commission may lawfully impose upon Applicant's  
10      provision of service contemplated by this application.

11      Applicant has requested ETC designation in wire centers located throughout, the  
12      service area of AT&T South Carolina, a non-rural carrier.   Additionally,  
13      Applicant has limited its requested USF support to the federal USF low income  
14      support program. Applicant certifies that all low income USF funding it receives  
15      will be used to provide a credit to its Lifeline and Link-up eligible customers,  
16      consistent with 47 CFR 54.403.

1

2       Applicant agrees to include in its quarterly Service Quality Report the number and  
3       justification of applications held for more than 30 days and the number and  
4       justification of applications that were denied. LifeConnex will only seek direct  
5       low income support from the Federal Universal Service Fund for the those line  
6       provided through the use of its own facilities or through a combination of its own  
7       facilities and the leased facilities of another carrier.   Applicant agrees to utilize  
8       the same qualifying criteria for Lifeline and Link-up as is offered in the AT&T  
9       South Carolina territory (eligibility for TANF, Food Stamps, and Medicaid).  
10      Applicant agrees that it will abide by all advertising and reporting and verification  
11      requirements established by the FCC and Commission.

12   **Q:   EXPLAIN HOW THE COMPANY’S RATES AND CHARGES ARE**  
13   **COMPARABLE TO BELLSOUTH TELECOMMUNICATIONS/AT&T**  
14   **SOUTH CAROLINA RATES AND CHARGES?**

15   **A:**   Applicant agrees to provide Lifeline customers an additional \$3.50 credit in order  
16       that the federal matching monies can be maximized. This will yield a Lifeline  
17       credit of \$13.50 per month which is consistent with the credit offered throughout  
18       AT&T South Carolina service area.

19

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2       Should Applicant seek designation as an ETC for high cost support, Applicant  
3       will file an additional and separate application with the Commission that  
4       addresses all applicable state and federal laws, rules and regulations, including,  
5       but not limited to, an appropriate build-out plan that includes the use of its own  
6       facilities in addition to those obtained through commercial agreements to provide  
7       services to un-served areas.

8       Applicant has submitted a two-year plan that describes the carrier's plans for  
9       advertising and outreach programs for identifying, qualifying and enrolling  
10      eligible participants in the Lifeline and Link Up programs.

11      Applicant shall comply will all applicable state and federal laws, rules, and  
12      regulations regarding ETC designation and reporting requirements.

13

14      **Q:   DOES THIS CONCLUDE YOUR TESTIMONY?**

15      **A:   Yes.**

## Exhibit A

### Resume



## **Paul Watson - Biography**

In 2009 Paul Watson was hired by Associated Telecommunications Management Services as the Bottom Line Team Executive Director due to his extensive experience with Telecommunication and Compliance. In 2010, he was promoted to the Chief Operations Officer. In his current position as the COO, Paul is responsible for Group Companies, Compliance, and General Operations.

Paul began his experience in the telecommunications industry in 1998 as a managing business partner with the CLEC Teleconex, Inc. Paul was crucial in building the foundation of Teleconex, Inc. as the Vice President of Human Resources, where he managed personnel for inbound sales, customer service, provisioning and repair. He was promoted to Operations Director where his focal point was personnel, marketing, IT, and the processes for overall business administration.

In 2004, Paul Watson became the Associate Director with Lost Key Telecom, Inc. Paul's concentration is business strategy, compliance management, operations and client relations. His knowledge encompasses most aspects of the industry with specialization in Lifeline, Linkup and TLS compliance; along with ETC business management.

As a graduate of Oral Roberts University, Paul holds a Bachelor of Science in Business Administration. With an ever changing market, he continues to stay updated on the latest advances, tools and knowledge in the telecommunications industry including compliance regulations set by the FCC and State Public Utilities Commissions.